

ORIGINAL

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BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS



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ARIZONA CORPORATION COMMISSION

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DATE: MAY 8, 2012

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DOCKET NOS.: W-01898A-06-0326 and W-20460A-06-0326

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

TO ALL PARTIES:

Arizona Corporation Commission
DOCKETED

Enclosed please find the recommendation of Administrative Law Judge Jane L. Rodda.
The recommendation has been filed in the form of an Opinion and Order on:

HAROLD AND MARY FRARER dba F&F WATER COMPANY
(EXTENSION OF TIME DEADLINE CONTAINED
IN DECISION NO. 69257)

DOCKETED BY

TJM

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

MAY 17, 2012

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

MAY 22, 2012 and MAY 23, 2012

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

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This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SABernal@azcc.gov

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 GARY PIERCE - Chairman
4 BOB STUMP
5 SANDRA D. KENNEDY
6 PAUL NEWMAN
7 BRENDA BURNS

8 IN THE MATTER OF THE APPLICATION OF
9 HAROLD AND MARY FRARER DBA F&F
10 WATER COMPANY FOR APPROVAL TO SELL
11 ASSETS AND TRANSFER ITS CERTIFICATE
12 OF CONVENIENCE AND NECESSITY TO ST.
13 DAVID SPRINGS, LLC.

DOCKET NO. W-01898A-06-0326
DOCKET NO. W-20460A-06-0326

DECISION NO. _____

ORDER EXTENDING TIME
DEADLINE CONTAINED IN
DECISION NO. 69257

14 Open Meeting
15 May 22 and 23, 2012
16 Phoenix, Arizona

17 **BY THE COMMISSION:**

18 * * * * *

19 Having considered the entire record herein and being fully advised in the premises, the
20 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

21 **FINDINGS OF FACT**

22 1. On January 19, 2007, the Commission issued Decision No. 69257, which approved the
23 sale of assets and transfer of the Certificate of Convenience and Necessity ("CC&N") from Harold
24 and Mary Frarer dba F&F Water Company to Enclave Saint David, LLC ("Enclave").

25 2. Enclave was formed to hold and develop real estate, and assigned its interest in the
26 water company assets to St. David Springs LLC ("St. David Springs" or "Company"). Enclave is the
27 sole member of St. David Springs. At the time of the sale of assets, Enclave did not have specific
28 plans for developing its holdings, and estimated that development was at least three years away. As
part of Decision No. 69257, the Commission ordered St. David Springs to "file a rate application no
later than six months following the fifth anniversary" of the effective date of Decision No. 69257.

3. On February 28, 2012, St. David Springs docketed a request for an extension of time

1 of five years, until July 19, 2017, to file its rate case. The Company reported that currently it only has
2 three customers (two fewer than it had in 2006 at the time of the transfer) and believed that "any
3 effort to prepare the information that is a prerequisite for a rate application would be financially self-
4 defeating..."

5 4. On April 24, 2012, the Commission's Utilities Division ("Staff") filed a Memorandum
6 in response to the Company's request for an extension. Staff concurs that the customer count is too
7 few to result in a meaningful rate analysis, and recommends that the July 19, 2012, deadline be
8 extended until July 19, 2017.

9 5. The development of Enclave's property that was contemplated in 2006 has not yet
10 occurred. The requirement to file a rate case within five years of expected development is standard
11 Commission practice and is intended to ensure that rates remain just and reasonable. However, to
12 require a rate case while the Company has only three customers would not be a meaningful endeavor.
13 Under the circumstances, the Company's request for an extension of the deadline to file a rate case is
14 reasonable. Consequently, we concur with Staff's recommendation that the requirement to file a rate
15 case as set forth in Decision No. 69257 be extended five years, until July 19, 2017.

16 CONCLUSIONS OF LAW

17 1. St. David Springs is a public service corporation within the meaning of Article XV of
18 the Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

19 2. The Commission has jurisdiction over St. David Springs and the subject matter of the
20 request.

21 3. An extension of time to comply with the requirements of Decision No. 69257, as
22 discussed herein, is fair and reasonable and in the public interest.

23 ...

24 ...

25 ...

26 ...

27 ...

28 ...

ORDER

IT IS THEREFORE ORDERED that the deadline for St. David Springs, LLC to file a rate case, as required by Decision No. 69257, is extended until July 19, 2017.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
Executive Director of the Arizona Corporation Commission,
have hereunto set my hand and caused the official seal of the
Commission to be affixed at the Capitol, in the City of Phoenix,
this _____ day of _____, 2012.

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____

1 SERVICE LIST FOR: ST. DAVID SPRINGS, LLC
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